

MELLINGER KARTZMAN LLC

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In re:

ELAINA LIVA,

Debtor.

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

Case No. 19-25392 (RG)

Chapter 7

Honorable Rosemary Gambardella

**APPLICATION FOR ENTRY OF A CONSENT ORDER RESOLVING
RESTITUTION LIEN HELD BY THE UNITED STATES OF AMERICA**

**TO: THE HONORABLE ROSEMARY GAMBARDELLA
UNITED STATES BANKRUPTCY JUDGE**

Steven P. Kartzman, the Chapter 7 Trustee (the “Trustee”), by and through his attorneys Mellinger Kartzman LLC, hereby applies to this Court for entry of a Consent Order resolving a restitution lien held by the United States of America (the “Consent Order”), and in support thereof, respectfully states:

1. On August 8, 2019, the debtor, Elaina Liva (the “Debtor”), filed a voluntary petition for relief under Chapter 7 of the Bankruptcy Code.
2. On August 9, 2019, Steven P. Kartzman was appointed to serve as the Chapter 7 Trustee, with the duties described in 11 U.S.C. § 704.
3. The Trustee has been engaged in the process of pursuing the Debtor’s claim against her ex-husband’s decedent estate on a judgment obtained by the Debtor against her ex-husband for unpaid alimony and child support.

4. The Trustee reached a settlement of the Debtor's Claims against her ex-husband's decedent estate [Dkt. Nos. 103, 104], which will result in the Bankruptcy Estate's (the "Estate"), receipt of about \$317,000. After the costs to recover those funds are deducted, and pursuant to a Consent Order with the Debtor entered on January 2, 2020, the Estate will receive 20% of the net sum (the "Estate Proceeds"), and the Debtor will receive 80% of the net sum.

5. A restitution judgment had been recorded as a lien in the Bergen County Clerk's Office, held by the United States of America against Elaina Liva a/k/a Elaina Maria Gulino a/k/a Elaina Gulino a/k/a Elaina G. Liva, which lien was recorded on May 3, 2019, by the Bergen Country Clerk in Book No. 03234 at Page No. 0408 (the "Restitution Lien").

6. The Trustee entered into negotiations with the USA, and an agreement was reached which resolves the Restitution Lien recorded against the Estate Proceeds.

7. To avoid the cost of litigation and to maximize the benefit to the estate, the Trustee and USA have entered into the proposed consent order submitted simultaneously herewith (the "Consent Order").

8. Pursuant to the pertinent terms of the Consent Order, the Trustee shall pay 25% of the 20% Estate Proceeds to be retained by the Estate pursuant to the Consent Order with the Debtor entered on January 2, 2020, to the United States of America upon approval of the Motion to Approve Compromise under Rule 9019, and the receipt of the settlement proceeds from the decedent's estate.

9. The Trustee believes that the settlement is in the best interests of the estate as it will avoid the necessity of fees, expense and delays attendant with further litigation.

10. No prior application for the relief requested herein has been made to this or any other court.

WHEREFORE, the Trustee requests the entry of the Consent Order in the form and manner as submitted to the Court.

Respectfully submitted,

MELLINGER KARTZMAN LLC

Attorneys for Trustee, Steven P. Kartzman

By: Steven A. Jayson
STEVEN A. JAYSON, ESQ.

Dated: June 14, 2021